

Message Text

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ACTION AF-08

INFO OCT-01 EUR-12 NEA-10 ISO-00 CIAE-00 DODE-00 INR-07

NSAE-00 PA-01 USIA-06 PRS-01 SP-02 EB-08 TRSE-00

OMB-01 /057 W

-----121213Z 022502 /11

R 080900Z FEB 77

FM AMEMBASSY NOUAKCHOTT

TO SECSTATE WASHDC 6953

INFO AMEMBASSY ALGIERS

AMEMBASYD DAKARMIUY

AMEMBASSY PARIS

AMEMBASSY RABAT

C O N F I D E N T I A L SECTION 1 OF 2 NOUAKCHOTT 261

E.O. 11652: GDS

TAGS: PINT, PGOV SOCI, MR

SUBJECT: SOMETHING IS AMISS -- PART II

REF: (A) NOUAKCHHT 194, (B) NOUAKCHOTT 211, (C) NOUAKCHOTT 230

1. OFFICE OF PRESIDENCY JANUARY 31 DECREE RESHUFFLING MAURITANIA'S TWO-TIER CABINET (REF B) CONFIRMS DISMISSAL OF MINSTATE SOUMARE AND MINFINANCE MOULAYE, AND CONSTITUTES FIRST OFFICIAL ACKNOWLEDGEMENT, ALBEIT INDIRECT, OF INVOLVEMENT OF THESE TWO EX-MINISTERS OF FINANCE IN SCANDAL NOW ROCKING GIRM (REF A). DURING PAST WEEK, PRECISE SHAPE AND EXTENT OF FINANCIAL SCANDAL HAVE BECOME MUCH CLEARER AS ADDITIONAL NAMES AND DETAILS OF OPERATION HAVE WORKED UP TO SURFACE. GIRM HAS, HOWEVER, MAINTAINED ITS STUDIED SILENCE.

2. MECHANICS OF SCANDAL: AT SOME POINT IN 1975 GIRM FORMALLY REQUESTED FRENCH GOVERNMENT TO RECRUIT BROAD-GUAGE,, SENIOR MINISTRY OF FINANCE EXECUTIVE THOROUGHLY VERSED IN ENTIRE RANGE OF FRENCH GOVERNMENT FINANCIAL OPERATIONS TO BECOME TECHNICAL ADVISER TO MAURITANIAN MINISTRY OF FINANCE.

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EARLY IN 1973 A M. PAUL NADLER, CONTROLLEUR DE FINANCE IN GOF MINFINANCE, ARRIVED IN NOUAKCHOTT AND ASSUMED HIS TWIN POSTS AS MINISTRY TECHNICAL ADVISOR, IN OFFICE OF MINISTER, AND DEPUTY DIRECTOR OF TAX DIVISION. IT NOW APPEARS THAT NADLER SET TO WORK ALMOST AT ONCE TO ESTABLISH MINFINANCE BENEVOLENT SOCIETY, EXPLOITING PROVISIONS OF FRENCH-BASED MAURITANIAN TAX LAW WHICH ACCORD

PENALTIES (OR SOME PROTION) COLLECTED FROM APPREHENDED TAX EVADERS OR FROM LATE OR UNDERPAYING TAXPAYERS TO THOSE CITIZENS OR BUREAUCRATS WHO DISCOVER IRREGULARITIES AND BRING ABOUT COLLECTIONS. AS DEPUTY DIRECTOR OF TAX DIVISION, NADLER HAD AUTHORITY TO DETERMINE AND/OR NEGOTIATE AMOUNT OF TAX OBLIGATION, TO ACCEPT FORMALLY TAX PAYMENT FROM FIRM OR INDIVIDUAL AND DECLARE OBLIGATION PAID IN FULL, AND TO DETERMINE HOW SUM COLLECTED WAS ENTERED IN BOOKS OF MINISTRY: EITHER AS TAX PAYMENT OR AS PAYMENT OF TAX PLUS PAYMENT OF PENALTY. POST-SCANDAL EXAMINATION OF TAX BOOKS REVEALS ENORMOUS NUMBER OF LATE PAYMENTS AND PENALTIES WHICH FIRMS INVOLVED NOW ASSERT ADD UP TO FACT TO TOTALS OF AMOUNTS OF TAXES THEY PAID AND PAID ON TIME. HAVING THUS CREATED GROWING PENALTY KITTY, ALMOST CERTAINLY WITH KNOWLEDGE AND COOPERATION OF DIECTOR OF TAX DIVISION, NADLER THEN ARRANGED APPROPRIATE DIVISION OF SPOILS BY RECRUITING MINISTER WHO WAS ONLY OFFICIAL WHO COULD DISBURSE PENALTY PROCEEDS TO THOSE INSTRUMENTAL IN BRINGING TAX EVADERS TO BOOK. AT OUTSET, FINANCE MINISTER WHO OBLINGLY SIGNED DISTRIBUTION DOCUMENTS, PRESUMABLY FOR A SUBSTANTIAL CUT,

WAS SOUMARE, WHETHER MOULAYE, A CAREER FINANCE MINISTRY TECHNICIAN WAS INVOLVED IN SYNDICATE AS FINANCIAL CONTROLLER IS NOT CLEAR. BUT WHEN SOIMARE WAS PROMOTED TO BPN IN AUGUST 1975 AND MOULAYE BECAME MINISTER, HE CLEARLY BECAME DIRECTLY INVOLVED SINCE SYNDICATE CONTINUED TO FUNCTION, SYNDICATE WAS ALSO REPORTEDLY ACTIVE IN PARAL-

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LEL CUSTOMS PENALTY SHARING SCHEME AND IN RAIDING TREASURY OF GOVERNMENT PHARMACEUTICAL IMPORTATION MONOPOLY IN ADDITION TO OUTRIGHT BRIBES AND KICKBACKS.

3. SEQUEL: (A) WHEN INVESTIGATORS BEGAN CLOSING IN IN EARLY DECEMBER, NADLERSLIPPED TO DAKAR AND HIS WIFE BEGAN PACKING UP HOUSEHOLD. HE RETURNED LATE IN MONTH AT MOULAYE'S URGING AS PART SYNDICATE'S ATTEMPT TO BRAZEN IT OUT. BUT ON NEW YEAR'S EVE, NADLER RACED TO ROSSO JUST AHEAD OF "THE LAW", CROSSED RIVER INTO SENEGAL AND DROVE ON TO DAKAR. (ANOTHER VERSION ASSERTS HE ABANDONED HIS GOVERNMENT CAR ON MAURITANIAN SIDE CROSSED RIVER BY PIROGUE.) HE MADE CELAN GETAWAY: ESTIMATES OF HIS TAKE RANGE FROM 30 TO 50 MILLION AUGUIYA (ROUGHLY MILLION DOLLARS) ALL OF WHICH HE GOT OUT OF COUNTRY AND REGION. LEAVING ONLY DOLLAR OR TWO IN HIS BANK ACCOUNTS IN NOUAKCHOTT AND DAKAR. HOW NADLER EXPORTED MONEY IS NO CLEAR; ALTERNATIVES ARE: SALE OF SMUGGLED BANKNOTES ON DAKAR BLACKMARKET; TRANSPORT OF HIGH-VALUE MERCHANDISE

VIA HIS VERY FREQUENT AUTO TRIPS TO DAKAR; OR BANK TRANSFERS ARRANGED BY A SYNDICATE CONFEDERATE IN FOREIGN EXCHANGE DEPARTMENT OF CENTRAL BANK. FINALLY, NADLER HAS VANISHED FROM SENEGAL.

(B) DIRECTOR TAX DIVISION IS REPORTEDLY IN PRISON.
SOMARE AND MOULAYE ARE REPORTEDLY "CONFINED TO QUARTERS".

(C) INQUIRIES INTO M.NADLER STIMULATED BY INVESTIGATION HAVE REPORTEDLY UNCOVERED FACT THAT NADLER (I) HAD ORGANIZED SIMILAR PRIVATE BENEVOLENT SYNDICATE IN ALGERIAN FINANCE MINISTRY IN LATE 1950S OR EARLY 1960S, BUT MANAGED TO SQUIRM OUT OF ALGERIAN ACCUSATIONS UPON HIS RETURN TO FRANCE (BY BY ASSERTING GOA HAD TRUMPED UP CHARGES AGAINST HIM AS AGAINST HOST OF OTHER FRENCH ADMINISTRATORS JUST TO GET RID OF THEM), AND RISE TO TOP OF FRENCH CIVIL SERVICE; AND (II) HAD JUMPED AT AHANCE TO COME TO MAURITANIA AS FINANCE
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MINISTRY TECHNICAL ADVISERWT

(D) FRANCO-MAURITANIAN RELATIONS ARE REPORTEDLY A BIT FROSTY AT THIS POINT, WITH GIRM RECALLING GOF'S ENTHUSIASTIC ENDORSEMENT OF NADLER, AND DEMANDING ACTIVE GOF ASSISTANCE IN TRACKING DOWN NADLER AND RECOVERING HIS ILLEGAL "SALARY SUPPLEMENTS".

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OMB-01 /057 W

-----121214Z 094005 /11

R 080900Z FEB 77

FM AMEMBASSY NOUAKCHOTT
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AMEMBASSY PARIS

AMEMBASSY RABAT

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4. AFTERMATH: WHILE THE CYNICAL SOPHISTICATES MAY DISMISS CURRENT FINANCIAL SCANDAL AS JUST ONE MORE CASE IN CONTINUING SERIES, MOST MAURITANIANS ARE SHOCKED AND ANGRY. GIRM AS AN INSTITUTION AND ALL TOP OFFICIALS AS INDIVIDUALS HAVE BEEN VAGUELY TRANISHED BY CRIMES OF A FEW. THIEVERY OF MINISTER OF STATE/BPN MEMBER HAS TARNISHED PRESIDENT OULD DADDAH IN VERY PERSONAL WAY SINCE IT WAS PRESIDENT WHO HANDPICKED SOUMARE 18 MONTHS AGO TO BE ONE OF 9-MAN "DIRECTOIRE". THUS PRESSURE ON PRESIDENT FOR VIGOROUS ANDPUBLIC DISCIPLINARY ACTION TO RESTORE HIS PERSONAL REPUTATION AS WELL AS THAT OF HIS GOVERNMENT IS PARTICULARLY STRONG. BUT UNIVESAL TRADITION (OUTSIDE ANGLO-SAXON ENCLAVE) OF COVERING UP GOVERNMENTAL DIRTY LINEN IS ALREADY WELL-ESTABLISHED IN MAURITANIA DESPITE NATION'S YOUTH. MORE-OVER, PRESIDENT IS PRESUMABLY AWARE THAT BLACKS (A) SEE PRESENT SCANDAL VERY MUCH IN BLACK-MOORISH TERMS, (B) ARE FIRMLY CONVINCED THAT EVERY ONE OF LONG LIST OF MOORISH MINISTERS CAUGHT WITH HAND IN TILL THESE PAST 16 YEARS WAS QUIETLY ALLOWED TO GO SCOT-FREE, (C) ARE CONFIDENTIAL

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WAITING IMPATIENTLY TO SEE FATE OF SOUMARE WHO IS BLACK (AND THE SON OF AN IMPORTANT SENEGAL VALLEY CHIEF) AND MOULAYE, WHO WHILE TECHNICALLY A MOOR HAD BLACK MOTHER, AND (D) WILL CONSIDER FIRM DISCIPLINARY ACTION AGAINST SOUMARE AS RENEWED PROOF OF SECOND-CLASS STATUS OF BLACKS IN CONTEMPORARY MAURITANIA. WE HAVE NO IDEA AT THIS POINT WHAT MILITARY THINK ABOUT FANANCE MINISTRY SCANDAL OR WHETHER MILITARY OPINION IS PERHAPS FRAGMENTED IN MUCH SAME FASHION AS CIVILIAN. BUT FACT THERE ARE NOW 12,500 MAURITANIANS IN UNIFORM GIVES MILITARY VIEWS A PUNCH THEY NEVER USED TO HAVE. WHILE BALANCE BETWEEN TRADITIONAL COVER-UP AND ASPIRATIONS OF GIRM LEADERSHIP FOR "MODERNIZATION" (INCLUDING UPGRADING OF GOVERNMENTAL MACHINERY) MIGHT HAVE BEEN STRUCK EASILY IN FAVOR OF COVER-UP IN 1975, FACT THAT MAURITANIA IS NOW NATION AT WAR AND THAT GOVERNMENT HAS DEMNATED THAT ITS CITIZENS OFFER UP BLOOD AS WELL AS TREASURE TO BUY REUNIFICATION OF WESTERN SAHARA SIGNIFICANTLY COMPLICATEW CHOICE CONFRONTING PRESIDENT. THERE IS AS YET NO HINT WHICH DIRECTION HE MAY ULTIMATELY DECIDE TO GO (TANTALIZING APPOINTMENT OF FORMER PUBLIC PROSECUTOR AS NEW MINISTERFINANCE MAY REPRESENT ONLY PRESIDENTS DESIRE TO KEEP HIS OPTIONS OPEN SOMEWHAT

LONGER). PRESIDENT MUST CHOOSE, IN OUR VIEW, ROUTE OF PROSECUTION/PUBLIC DISGRACE TO MAINTAIN TO ESSENTIALLY UNCORRUPT BUREAUCRACY AND SOCIETY HE NOW LEADS. FOR CORRUPTION RUN RAMPANT LEADS TO FUNDAMENTAL POLITICAL CHANGE.

HANDYSIDE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CORRUPTION, CABINET, ALLEGATIONS, REMOVAL FROM OFFICE
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NOUAKC00261
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770051-0280
Format: TEL
From: NOUAKCHOTT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770263/aaaacdet.tel
Line Count: 231
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b5564cca-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 NOUAKCHOTT 194, 77 NOUAKCHOTT 211, 77 NOUAKCHOTT 230
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3380562
Secure: OPEN
Status: NATIVE
Subject: SOMETHING IS AMISS -- PART II
TAGS: PINT, PGOV, SOCI, MR, (MOHAMED, MOULAYE), (SOUARE, DIARAMOUNA), (NADLER, PAUL)
To: STATE
Type: TE
vdkgvkey: odhc://SAS/SAS.dbo.SAS_Docs/b5564cca-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009